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107TH CONGRESS
1ST SESSION

H. R. 801

[Report No. 107-27]

To amend title 38, United States Code, to improve programs of educational assistance, to expand programs of transition assistance and outreach to departing servicemembers, veterans, and dependents, to increase burial benefits, to provide for family coverage under Servicemembers' Group Life Insurance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2001

Mr. SMITH of New Jersey (for himself, Mr. EVANS, Mr. HAYWORTH, and Mr. REYES) introduced the following bill; which was referred to the Committee on Veterans' Affairs

MARCH 26, 2001

Additional sponsors: Mr. STUMP, Mr. BILIRAKIS, Mr. BUYER, Mr. SIMPSON, Mr. SIMMONS, Mr. BROWN of South Carolina, Mr. HANSEN, Mr. SPENCE, Mr. FILNER, Mr. PASCRELL, Mr. EHRLICH, Mrs. ROUKEMA, Mr. GOODE, Ms. BROWN of Florida, Mr. BALDACCI, Ms. CARSON of Indiana, Mr. CRENSHAW, Mrs. KELLY, Mr. TERRY, Mr. SNYDER, Mr. GUTIERREZ, Mr. PUTNAM, Mr. EDWARDS, Ms. SOLIS, Mr. HONDA, Mr. DOYLE, Ms. WATERS, Mr. GONZALEZ, Mr. OWENS, Ms. BERKLEY, Mr. PETERSON of Minnesota, Mr. SHOWS, Mr. ABERCROMBIE, Mr. UDALL of New Mexico, Mrs. JO ANN DAVIS of Virginia, Mr. BERRY, and Mrs. MCCARTHY of New York

MARCH 26, 2001

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 28, 2001]

A BILL

To amend title 38, United States Code, to improve programs of educational assistance, to expand programs of transition assistance and outreach to departing servicemembers, veterans, and dependents, to increase burial benefits, to provide for family coverage under Servicemembers' Group Life Insurance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Vet-*
 5 *erans Opportunities Act of 2001”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. References to title 38, United States Code.

TITLE I—EDUCATIONAL ASSISTANCE PROVISIONS

Sec. 101. Increase in maximum allowable annual Senior ROTC educational as-
sistance for eligibility for benefits under the Montgomery GI
Bill.

Sec. 102. Expansion of work-study opportunities.

Sec. 103. Inclusion of certain private technology entities in the definition of edu-
cational institution.

Sec. 104. Expansion of special restorative training benefit to certain disabled
spouses or surviving spouses.

Sec. 105. Distance education.

Sec. 106. Technical amendments to the Montgomery GI Bill.

TITLE II—TRANSITION AND OUTREACH PROVISIONS

- Sec. 201. Authority to establish overseas veterans assistance offices to expand transition assistance.*
- Sec. 202. Timing of preseparation counseling.*
- Sec. 203. Improvement in education and training outreach services for separating servicemembers and veterans.*
- Sec. 204. Expansion of outreach efforts to eligible dependents.*
- Sec. 205. Improvement of veterans outreach programs.*

TITLE III—MEMORIAL AFFAIRS, INSURANCE, AND OTHER PROVISIONS

- Sec. 301. Increase in burial benefits.*
- Sec. 302. Family coverage under Servicemembers' Group Life Insurance.*
- Sec. 303. Retroactive applicability of increase in maximum SGLI benefit for members dying in performance of duty on or after October 1, 2000.*
- Sec. 304. Increase in amount of assistance for automobile and adaptive equipment for certain disabled veterans.*
- Sec. 305. Increase in assistance amount for specially adapted housing.*
- Sec. 306. Revision of rules with respect to net worth limitation for eligibility for pensions for veterans who are permanently and totally disabled from a non-service-connected disability.*
- Sec. 307. Technical amendments.*

1 SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

2 *Except as otherwise expressly provided, whenever in*

3 *this Act an amendment or repeal is expressed in terms of*

4 *an amendment to, or repeal of, a section or other provision,*

5 *the reference shall be considered to be made to a section or*

6 *other provision of title 38, United States Code.*

***TITLE I—EDUCATIONAL
ASSISTANCE PROVISIONS***

***SEC. 101. INCREASE IN MAXIMUM ALLOWABLE ANNUAL
SENIOR ROTC EDUCATIONAL ASSISTANCE
FOR ELIGIBILITY FOR BENEFITS UNDER THE
MONTGOMERY GI BILL.***

(a) IN GENERAL.—Sections 3011(c)(3)(B) and 3012(d)(3)(B) are each amended by striking “\$2,000” and inserting “\$3,400”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply with respect to educational assistance allowances paid under chapter 30 of title 38, United States Code, for months beginning after such date.

SEC. 102. EXPANSION OF WORK-STUDY OPPORTUNITIES.

(a) ASSISTING IN OUTREACH SERVICES.—The second sentence of section 3485(a)(1) is amended in clause (A) by inserting before the comma the following: “or outreach services to servicemembers and veterans furnished by employees of State approving agencies”.

(b) WORKING IN MAJOR ACADEMIC DISCIPLINE.—Such sentence is further amended—

*(1) by striking “or (E)” and inserting “(E)”;
and*

1 (2) *by inserting before the period the following:*

2 “*, or (F) in the case of an individual who has de-*
3 *clared a major academic discipline, activities within*
4 *the department of that academic discipline approved*
5 *by the Secretary that complement and reinforce the*
6 *program of education pursued by that individual”.*

7 (c) *WORKING IN STATE VETERANS HOME.*—*Such sen-*
8 *tence is amended in clause (C) by inserting after the comma*
9 *“including the provision of such care to veterans in a State*
10 *home for which payment is made under section 1741 of this*
11 *title,”.*

12 (d) *EFFECTIVE DATE.*—*The amendments made by this*
13 *section shall apply with respect to agreements entered into*
14 *under section 3485 of title 38, United States Code, on or*
15 *after the date of the enactment of this Act.*

16 **SEC. 103. INCLUSION OF CERTAIN PRIVATE TECHNOLOGY**
17 **ENTITIES IN THE DEFINITION OF EDU-**
18 **CATIONAL INSTITUTION.**

19 (a) *IN GENERAL.*—*Sections 3452(c) and 3501(a)(6)*
20 *are each amended by adding at the end the following new*
21 *sentence: “Such term also includes any private entity (that*
22 *meets such requirements as the Secretary may establish)*
23 *that offers, either directly or under an agreement with an-*
24 *other entity (that meets such requirements), a course or*
25 *courses to fulfill requirements for the attainment of a license*

1 *or certificate generally recognized as necessary to obtain,*
 2 *maintain, or advance in employment in a profession or vo-*
 3 *cation in a technological occupation (as determined by the*
 4 *Secretary).”.*

5 (b) *EFFECTIVE DATE.*—*The amendments made by sub-*
 6 *section (a) shall apply to enrollments in courses occurring*
 7 *on or after the date of the enactment of this Act.*

8 **SEC. 104. EXPANSION OF SPECIAL RESTORATIVE TRAINING**
 9 **BENEFIT TO CERTAIN DISABLED SPOUSES OR**
 10 **SURVIVING SPOUSES.**

11 (a) *IN GENERAL.*—*Section 3540 is amended by strik-*
 12 *ing “section 3501(a)(1)(A) of this title” and inserting “sub-*
 13 *paragraphs (A), (B), and (D) of section 3501(a)(1) of this*
 14 *title”.*

15 (b) *CONFORMING AMENDMENTS.*—(1) *Section 3541(a)*
 16 *is amended in the matter preceding paragraph (1) by strik-*
 17 *ing “of the parent or guardian”.*

18 (2) *Section 3542(a) is amended—*

19 (A) *by striking “the parent or guardian shall be*
 20 *entitled to receive on behalf of such person” and in-*
 21 *serting “the eligible person shall be entitled to re-*
 22 *ceive”; and*

23 (B) *by striking “upon election by the parent or*
 24 *guardian of the eligible person” and inserting “upon*
 25 *election by the eligible person”.*

1 (3) *Section 3543(a) is amended by striking “the parent*
 2 *or guardian for the training provided to an eligible person”*
 3 *and inserting “for the training provided to the eligible per-*
 4 *son”.*

5 (4) *Section 3543 is amended by adding at the end the*
 6 *following new subsection:*

7 “(c) *In a case in which the Secretary determines re-*
 8 *quires a parent or guardian to make a request under section*
 9 *3541(a) of this title on behalf of an eligible person, the par-*
 10 *ent or guardian shall be entitled—*

11 “(1) *to receive on behalf of the eligible person the*
 12 *special training allowance provided for under section*
 13 *3542(a) of this title;*

14 “(2) *to elect an increase in the basic monthly al-*
 15 *lowance provided for under such section; and*

16 “(3) *to agree with the Secretary on the fair and*
 17 *reasonable amounts which may be charged under sub-*
 18 *section (a).”.*

19 **SEC. 105. DISTANCE EDUCATION.**

20 (a) *IN GENERAL.*—*Subsection (a)(4) of section 3680A*
 21 *is amended—*

22 (1) *by inserting “(A)” after “leading”; and*

23 (2) *by inserting before the period the following:*

24 “*, or (B) to a certificate that reflects educational at-*

(b) *EFFECTIVE DATE.*—The amendments made by subsection (a) shall apply to enrollments in independent study courses beginning on or after the date of the enactment of this Act.

7 SEC. 106. TECHNICAL AMENDMENTS TO THE MONTGOMERY
8 GI BILL.

9 (a) CLARIFICATION OF ELIGIBILITY REQUIREMENT
10 FOR MGIB BENEFITS.—

11 (1) IN GENERAL.—Clause (i) of section
12 3011(a)(1)(A) is amended to read as follows:

“(i) who (I) in the case of an individual whose obligated period of active duty is three years or more, serves at least three years of continuous active duty in the Armed Forces, or (II) in the case of an individual whose obligated period of active duty is less than three years, serves at least two years of continuous active duty in the Armed Forces; or”.

(2) *EFFECTIVE DATE.*—The amendment made by paragraph (1) shall take effect as if included in the enactment of the Veterans Benefits and Health Care Improvement Act of 2000 (Public Law 106–419).

1 *(b) ENTITLEMENT CHARGE FOR OFF-DUTY TRAINING*
 2 *AND EDUCATION.—*

3 *(1) IN GENERAL.—Section 3014(b)(2) is*
 4 *amended—*

5 *(A) in subparagraph (A), by striking*
 6 *“(without regard to” and all that follows through*
 7 *“subsection”; and*

8 *(B) by adding at the end the following new*
 9 *subparagraph:*

10 *“(C) The number of months of entitlement charged*
 11 *under this chapter in the case of an individual who has*
 12 *been paid a basic educational assistance allowance under*
 13 *this subsection shall be equal to the number (including any*
 14 *fraction) determined by dividing the total amount of such*
 15 *educational assistance allowance paid the individual by the*
 16 *full-time monthly institutional rate of educational assist-*
 17 *ance which such individual would otherwise be paid under*
 18 *subsection (a)(1), (b)(1), (c)(1), or (e)(1) of section 3015 of*
 19 *this title, as the case may be.”.*

20 *(2) CONFORMING AMENDMENTS.—(A) Section*
 21 *3015 is amended—*

22 *(i) in subsections (a)(1) and (b)(1), by in-*
 23 *serting “subsection (g)” after “from time to time*
 24 *under”;*

1 (ii) by striking the first subsection (g), as
 2 inserted by section 1602(b)(3)(C) of the *Floyd D.*
 3 *Spence National Defense Authorization Act for*
 4 *Fiscal Year 2001 (enacted by Public Law 106–*
 5 *398; 114 Stat. 1654A–359); and*

6 (iii) by redesignating subsection (h) as sub-
 7 section (g).

8 (B) Section 3032(b) is amended by inserting be-
 9 fore the period at the end the following: “, or (3) the
 10 amount of the charges of the educational institution
 11 elected by the individual under section 3014(b)(1) of
 12 this title”.

13 (3) *EFFECTIVE DATE.*—The amendments made
 14 by this subsection shall take effect as if enacted on No-
 15 vember 1, 2000.

16 (c) *INCREMENTAL MGIB INCREASES FOR CONTRIB-*
 17 *UTING ACTIVE DUTY MEMBERS.*—

18 (1) *IN GENERAL.*—Section 3011(e), as added by
 19 section 105(a)(1) of the *Veterans Benefits and Health*
 20 *Care Improvement Act of 2000 (Public Law 106–419;*
 21 *114 Stat. 1828), is amended—*

22 (A) in paragraph (2), by inserting “, but
 23 not more frequently than monthly” before the pe-
 24 riod;

1 (B) in paragraph (3), by striking “\$4” and
 2 inserting “\$20”; and

3 (C) in paragraph (4)—

4 (i) by striking “Secretary. The” and
 5 inserting “Secretary of the military depart-
 6 ment concerned. That”; and

7 (ii) by striking “by the Secretary”.

8 (2) CONFORMING AMENDMENTS.—(A) Section
 9 3012(f), as added by section 105(a)(2) of such Act, is
 10 amended—

11 (i) in paragraph (2), by inserting “, but
 12 not more frequently than monthly” before the pe-
 13 riod;

14 (ii) in paragraph (3), by striking “\$4” and
 15 inserting “\$20”; and

16 (iii) in paragraph (4)—

17 (I) by striking “Secretary. The” and
 18 inserting “Secretary of the military depart-
 19 ment concerned. That”; and

20 (II) by striking “by the Secretary”.

21 (B) Section 3015(g), as added by section
 22 105(b)(3) of such Act, is amended—

23 (i) in the matter preceding paragraph (1),
 24 by inserting “effective as of the first day of the
 25 enrollment period following receipt of such con-

1 *tribution by the Secretary concerned,” after “by*
 2 *section 3011(e) or 3012(f) of this title,”; and*

3 *(ii) in paragraph (1)—*

4 *(I) by striking “\$1” and inserting*
 5 *“\$5”;*

6 *(II) by striking “\$4” and inserting*
 7 *“\$20”; and*

8 *(III) by inserting “of this title” after*
 9 *“section 3011(e) or 3012(f)”.*

10 *(3) EFFECTIVE DATE.—The amendments made*
 11 *by this subsection shall take effect as if included in*
 12 *the enactment of section 105 of the Veterans Benefits*
 13 *and Health Care Improvement Act of 2000 (Public*
 14 *Law 106–419; 114 Stat. 1828).*

15 *(d) CONFORMING AMENDMENT FOR DEATH BEN-*
 16 *EFIT.—*

17 *(1) IN GENERAL.—Paragraph (1) of section*
 18 *3017(b) is amended to read as follows:*

19 *“(1) the sum of (A) the total amount reduced*
 20 *from the individual’s basic pay under section 3011(b),*
 21 *3012(c), or 3018(c) of this title, and (B) the total*
 22 *amount of any contributions made by the individual*
 23 *under section 3011(e) or 3012(f) of this title, less”.*

24 *(2) EFFECTIVE DATE.—The amendment made by*
 25 *paragraph (1) shall take effect on May 1, 2001.*

1 (e) *CLARIFICATION OF TIME PERIOD FOR ELECTION*
2 *OF BEGINNING OF CHAPTER 35 ELIGIBILITY FOR DEPEND-*
3 *ENTS.—*

4 (1) *IN GENERAL.—(A) Section 3512(a)(3)(B), as*
5 *amended by section 112 of the Veterans Benefits and*
6 *Health Care Improvement Act of 2000 (Public Law*
7 *106–419; 114 Stat. 1831), is amended to read as fol-*
8 *lows:*

9 *“(B) the eligible person elects that begin-*
10 *ning date by not later than the end of the 60-*
11 *day period beginning on the date on which the*
12 *Secretary provides written notice to that person*
13 *of that person’s opportunity to make such elec-*
14 *tion, such notice including a statement of the*
15 *deadline for the election imposed under this sub-*
16 *paragraph; and”.*

17 (B) *Section 3512(a)(3)(C), as so amended by*
18 *such section, is amended by striking “between the*
19 *dates described in” and inserting “the date deter-*
20 *mined pursuant to”.*

21 (2) *EFFECTIVE DATE.—The amendments made*
22 *by paragraph (1) shall take effect as if enacted on No-*
23 *vember 1, 2000.*

TITLE II—TRANSITION AND OUTREACH PROVISIONS

SEC. 201. AUTHORITY TO ESTABLISH OVERSEAS VETERANS ASSISTANCE OFFICES TO EXPAND TRANSI- TION ASSISTANCE.

Section 7723(a) is amended by inserting after the first sentence the following new sentence: “The Secretary may maintain such offices on such military installations located elsewhere as the Secretary, after consultation with the Secretary of Defense, determines to be necessary to carry out such purposes.”.

SEC. 202. TIMING OF PRESEPARATION COUNSELING.

(a) IN GENERAL.—(1) The first sentence of section 1142(a)(1) of title 10, United States Code, is amended to read as follows: “Within the time periods specified in paragraph (3), the Secretary concerned shall (except as provided in paragraph (4)) provide for individual preseparation counseling of each member of the armed forces whose discharge or release from active duty is anticipated as of a specific date.”.

(2) Such section is further amended by adding at the end the following new paragraphs:

“(3)(A) In the case of an anticipated retirement, preseparation counseling shall commence as soon as possible during the 24-month period preceding the anticipated re-

1 *tirement date. In the case of a separation other than a re-*
 2 *tirement, preseparation counseling shall commence as soon*
 3 *as possible during the 12-month period preceding the an-*
 4 *ticipated date. Except as provided in subparagraph (B), in*
 5 *no event shall preseparation counseling commence later*
 6 *than 90 days before the date of discharge or release.*

7 “(B) *In the event that a retirement or other separation*
 8 *is unanticipated until there are 90 or fewer days before the*
 9 *anticipated retirement or separation date, preseparation*
 10 *counseling shall begin as soon as possible within the re-*
 11 *maining period of service.*

12 “(4)(A) *Subject to subparagraph (B), the Secretary*
 13 *concerned shall not provide preseparation counseling to a*
 14 *member who is being discharged or released before the com-*
 15 *pletion of that member’s first 180 days of active duty.*

16 “(B) *Subparagraph (A) shall not apply in the case*
 17 *of a member who is being retired or separated for dis-*
 18 *ability.”.*

19 (b) *CONFORMING AMENDMENT.—The second sentence*
 20 *of section 1144(a)(1) of title 10, United States Code, is*
 21 *amended by striking “during the 180-day period” and all*
 22 *that follows and inserting “within the time periods pro-*
 23 *vided under paragraph (3) of section 1142(a) of this title,*
 24 *except that the Secretary concerned shall not provide*

1 *preseparation counseling to a member described in para-*
 2 *graph (4)(A) of such section.”.*

3 **SEC. 203. IMPROVEMENT IN EDUCATION AND TRAINING**
 4 **OUTREACH SERVICES FOR SEPARATING**
 5 **SERVICEMEMBERS AND VETERANS.**

6 *(a) PROVIDING OUTREACH THROUGH STATE APPROV-*
 7 *ING AGENCIES.—Section 3672(d) is amended by inserting*
 8 *“and State approving agencies” before “shall actively pro-*
 9 *mote the development of programs of training on the job”.*
 10 *(b) ADDITIONAL DUTY.—Such section is further*
 11 *amended—*

12 *(1) by inserting “(1)” after “(d)”;* and
 13 *(2) by adding at the end the following new para-*
 14 *graph:*

15 *“(2) In conjunction with outreach services furnished*
 16 *by the Secretary for education and training benefits under*
 17 *chapter 77 of this title, each State approving agency shall*
 18 *conduct outreach programs and provide outreach services*
 19 *to eligible persons and veterans about education and train-*
 20 *ing benefits available under applicable Federal and State*
 21 *law.”.*

22 **SEC. 204. EXPANSION OF OUTREACH EFFORTS TO ELIGIBLE**
 23 **DEPENDENTS.**

24 *(a) AVAILABILITY OF OUTREACH SERVICES FOR CHIL-*
 25 *DREN, SPOUSES, SURVIVING SPOUSES, AND DEPENDENT*

1 *PARENTS.*—Paragraph (2) of section 7721(b) is amended
2 *to read as follows:*

3 “(2) the term ‘eligible dependent’ means a
4 spouse, surviving spouse, child, or dependent parent
5 of a person who served in the active military, naval,
6 or air service.”.

7 (b) *IMPROVED OUTREACH PROGRAM.*—(1) Subchapter
8 II of chapter 77 is amended by adding at the end the fol-
9 lowing new section:

10 **“§ 7727. Outreach for eligible dependents**

11 “(a) In carrying out this subchapter, the Secretary
12 shall ensure that the needs of eligible dependents are fully
13 addressed.

14 “(b) The Secretary shall ensure that the availability
15 of outreach services and assistance for eligible dependents
16 under this subchapter is made known through a variety of
17 means, including the Internet, announcements in veterans
18 publications, and announcements to the media.”.

19 (2) The table of sections at the beginning of such chap-
20 ter is amended by inserting after the item relating to section
21 7726 the following new item:

“7727. Outreach for eligible dependents.”.

22 **SEC. 205. IMPROVEMENT OF VETERANS OUTREACH PRO-**
23 **GRAMS.**

24 Section 7722(c) is amended—

25 (1) by inserting “(1)” after “(c)”; and

1 (2) *by adding at the end the following:*

2 “(2) *Whenever a veteran or dependent first applies for*
 3 *any benefit under laws administered by the Secretary (in-*
 4 *cluding a request for burial or related benefits or an appli-*
 5 *cation for life insurance proceeds), the Secretary shall pro-*
 6 *vide to the veteran or dependent information concerning*
 7 *benefits and health care services under programs adminis-*
 8 *tered by the Secretary.”.*

9 ***TITLE III—MEMORIAL AFFAIRS,***
 10 ***INSURANCE, AND OTHER PRO-***
 11 ***VISIONS***

12 ***SEC. 301. INCREASE IN BURIAL BENEFITS.***

13 (a) *BURIAL AND FUNERAL EXPENSES.*—(1) *Section*
 14 *2307 is amended by striking “\$1,500” and inserting*
 15 *“\$2,000 (as increased from time to time under section 5312*
 16 *of this title)”.*

17 (2) *Section 2302(a) is amended by striking “\$300”*
 18 *and inserting “\$500 (as increased from time to time under*
 19 *section 5312 of this title)”.*

20 (3) *Section 2303(a)(1)(A) is amended by striking*
 21 *“\$300” and inserting “\$500 (as increased from time to time*
 22 *under section 5312 of this title)”.*

23 (b) *PLOT ALLOWANCE.*—*Section 2303(b) is amended*
 24 *by striking “\$150” each place it appears and inserting*

1 “\$300 (as increased from time to time under section 5312
2 of this title)”.

3 (c) *INDEXING PAYMENT AMOUNTS.*—Section 5312(a)
4 is amended—

5 (1) by striking “and each rate of monthly allow-
6 ance” and inserting “each rate of monthly allow-
7 ance”; and

8 (2) by inserting “and each rate of allowance
9 paid under sections 2302, 2303, and 2307 of this
10 title,” after “under section 1805 of this title,”.

11 (d) *EFFECTIVE DATE.*—The amendments made by this
12 section shall apply to deaths occurring on or after the date
13 of the enactment of this Act.

14 **SEC. 302. FAMILY COVERAGE UNDER SERVICEMEMBERS’**
15 **GROUP LIFE INSURANCE.**

16 (a) *INSURABLE DEPENDENTS.*—(1) Section 1965 is
17 amended by adding at the end the following new paragraph:

18 “(10) The term ‘insurable dependent’, with re-
19 spect to a member, means the following:

20 “(A) The member’s spouse.

21 “(B) The member’s child, as defined in the
22 first sentence of section 101(4)(A) of this title.”.

23 (2) Section 101(4)(A) is amended in the matter pre-
24 ceding clause (i) by inserting “(other than with respect to
25 a child who is an insurable dependent under section

1 1965(10)(B) of such chapter)” after “except for purposes of
2 chapter 19 of this title”.

3 (b) *INSURANCE COVERAGE*.—(1) Subsection (a) of sec-
4 tion 1967 is amended to read as follows:

5 “(a)(1) Subject to an election under paragraph (2),
6 any policy of insurance purchased by the Secretary under
7 section 1966 of this title shall automatically insure the fol-
8 lowing persons against death:

9 “(A) In the case of any member of a uniformed
10 service on active duty (other than active duty for
11 training)—

12 “(i) the member; and

13 “(ii) each insurable dependent of the mem-
14 ber.

15 “(B) Any member of a uniformed service on ac-
16 tive duty for training or inactive duty training
17 scheduled in advance by competent authority.

18 “(C) In the case of any member of the Ready Re-
19 serve of a uniformed service who meets the qualifica-
20 tions set forth in section 1965(5)(B) of this title—

21 “(i) the member; and

22 “(ii) each insurable dependent of the mem-
23 ber.

24 “(2)(A) A member may elect in writing not to be in-
25 sured under this subchapter.

1 “(B) A member may elect in writing not to insure the
2 member’s spouse under this subchapter.

3 “(3)(A) Subject to subparagraphs (B) and (C), the
4 amount for which a person is insured under this subchapter
5 is as follows:

6 “(i) In the case of a member, \$250,000.

7 “(ii) In the case of a member’s spouse, \$100,000.

8 “(iii) In the case of a member’s child, \$10,000.

9 “(B) A member may elect in writing to be insured or
10 to insure the member’s spouse in an amount less than the
11 amount provided for under subparagraph (A). The member
12 may not elect to insure the member’s child in an amount
13 less than \$10,000. The amount of insurance so elected shall,
14 in the case of a member or spouse, be evenly divisible by
15 \$10,000.

16 “(C) In no case may the amount of insurance coverage
17 under this subsection of a member’s spouse exceed the
18 amount of insurance coverage of the member.

19 “(4)(A) An insurable dependent of a member is not
20 insured under this chapter unless the member is insured
21 under this subchapter.

22 “(B) An insurable dependent who is a child may not
23 be insured at any time by the insurance coverage under
24 this chapter of more than one member. If an insurable de-
25 pendent who is a child is otherwise eligible to be insured

1 *by the coverage of more than one member under this chap-*
2 *ter, the child shall be insured by the coverage of the member*
3 *whose eligibility for insurance under this subchapter oc-*
4 *curred first, except that if that member does not have legal*
5 *custody of the child, the child shall be insured by the cov-*
6 *erage of the member who has legal custody of the child.*

7 “(5) *The insurance shall be effective with respect to*
8 *a member and the insurable dependents of the member on*
9 *the latest of the following dates:*

10 “(A) *The first day of active duty or active duty*
11 *for training.*

12 “(B) *The beginning of a period of inactive duty*
13 *training scheduled in advance by competent author-*
14 *ity.*

15 “(C) *The first day a member of the Ready Re-*
16 *serve meets the qualifications set forth in section*
17 *1965(5)(B) of this title.*

18 “(D) *The date certified by the Secretary to the*
19 *Secretary concerned as the date Servicemembers’*
20 *Group Life Insurance under this subchapter for the*
21 *class or group concerned takes effect.*

22 “(E) *In the case of an insurable dependent who*
23 *is a spouse, the date of marriage of the spouse to the*
24 *member.*

1 “(F) *In the case of an insurable dependent who*
 2 *is a child, the date of birth of such child or, if the*
 3 *child is not the natural child of the member, the date*
 4 *on which the child acquires status as an insurable de-*
 5 *pendent of the member.*”.

6 (2) *Subsection (c) of such section is amended by strik-*
 7 *ing the first sentence and inserting the following: “If a per-*
 8 *son eligible for insurance under this subchapter is not so*
 9 *insured, or is insured for less than the maximum amount*
 10 *provided for the person under subparagraph (A) of sub-*
 11 *section (a)(3), by reason of an election made by a member*
 12 *under subparagraph (B) of that subsection, the person may*
 13 *thereafter be insured under this subchapter in the maximum*
 14 *amount or any lesser amount elected as provided in such*
 15 *subparagraph (B) upon written application by the member,*
 16 *proof of good health of each person (other than a child) to*
 17 *be so insured, and compliance with such other terms and*
 18 *conditions as may be prescribed by the Secretary.*”.

19 (c) *TERMINATION OF COVERAGE.—(1) Subsection (a)*
 20 *of section 1968 is amended—*

21 (A) *in the matter preceding paragraph (1), by*
 22 *inserting “and any insurance thereunder on any in-*
 23 *surable dependent of such a member,” after “any in-*
 24 *surance thereunder on any member of the uniformed*
 25 *services,”; and*

1 (B) by adding at the end the following new
2 paragraph:

3 “(5) With respect to an insurable dependent of
4 the member, insurance under this subchapter shall
5 cease—

6 “(A) 120 days after the date of an election
7 made in writing by the member to terminate the
8 coverage; or

9 “(B) on the earliest of—

10 “(i) 120 days after the date of the
11 member’s death;

12 “(ii) 120 days after the date of termi-
13 nation of the insurance on the member’s life
14 under this subchapter; or

15 “(iii) 120 days after the termination of
16 the dependent’s status as an insurable de-
17 pendent of the member.”.

18 (2) Such subsection is further amended—

19 (A) in the matter preceding paragraph (1), by
20 striking “, and such insurance shall cease—” and in-
21 serting “and such insurance shall cease as follows.”;

22 (B) by striking “with” after the paragraph des-
23 ignation in each of paragraphs (1), (2), (3), and (4)
24 and inserting “With”;

25 (C) in paragraph (1)—

1 *(i) in the matter preceding subparagraph*
2 *(A), by striking “thirty-one days—” and insert-*
3 *ing “31 days, insurance under this subchapter*
4 *shall cease—”;*

5 *(ii) in subparagraph (A)—*

6 *(I) by striking “one hundred and twen-*
7 *ty days” after “(A)” and inserting “120*
8 *days”;* and

9 *(II) by striking “prior to the expira-*
10 *tion of one hundred and twenty days” and*
11 *inserting “before the end of 120 days”;* and

12 *(iii) by striking the semicolon at the end of*
13 *subparagraph (B) and inserting a period;*

14 *(D) in paragraph (2)—*

15 *(i) by striking “thirty-one days” and insert-*
16 *ing “31 days,”;*

17 *(ii) by striking “one hundred and twenty*
18 *days” both places it appears and inserting “120*
19 *days”;* and

20 *(iii) by striking the semicolon at the end*
21 *and inserting a period;*

22 *(E) in paragraph (3)—*

23 *(i) by inserting a comma after “competent*
24 *authority”*

1 (ii) by striking “one hundred and twenty
2 days” both places it appears and inserting “120
3 days”; and

4 (iii) by striking “; and” at the end and in-
5 serting a period; and

6 (F) in paragraph (4), by inserting “insurance
7 under this subchapter shall cease” before “120 days
8 after ” the first place it appears.

9 (3) Subsection (b)(1)(A) of such section is amended by
10 inserting “(to insure against death of the member only)”
11 after “converted to Veterans’ Group Life Insurance”.

12 (d) PREMIUMS.—Section 1969 is amended by adding
13 at the end the following new subsections:

14 “(g)(1)(A) During any period in which a spouse of a
15 member is insured under this subchapter and the member
16 is on active duty, there shall be deducted each month from
17 the member’s basic or other pay until separation or release
18 from active duty an amount determined by the Secretary
19 as the premium allocable to the pay period for providing
20 that insurance coverage. No premium may be charged for
21 providing insurance coverage for a child.

22 “(B) During any month in which a member is as-
23 signed to the Ready Reserve of a uniformed service under
24 conditions which meet the qualifications set forth in section
25 1965(5)(B) of this title and the spouse of the member is

1 *insured under a policy of insurance purchased by the Sec-*
2 *retary under section 1966 of this title, there shall be contrib-*
3 *uted from the appropriation made for active duty pay of*
4 *the uniformed service concerned an amount determined by*
5 *the Secretary (which shall be the same for all such members)*
6 *as the share of the cost attributable to insuring the spouse*
7 *of such member under this policy, less any costs traceable*
8 *to the extra hazards of such duty in the uniformed services.*
9 *Any amounts so contributed on behalf of any individual*
10 *shall be collected by the Secretary concerned from such indi-*
11 *vidual (by deduction from pay or otherwise) and shall be*
12 *credited to the appropriation from which such contribution*
13 *was made.*

14 “(2)(A) *The Secretary shall determine the premium*
15 *amounts to be charged for life insurance coverage for*
16 *spouses of members under this subchapter.*

17 “(B) *The premium amounts shall be determined on the*
18 *basis of sound actuarial principles and shall include an*
19 *amount necessary to cover the administrative costs to the*
20 *insurer or insurers providing such insurance.*

21 “(C) *Each premium rate for the first policy year shall*
22 *be continued for subsequent policy years, except that the*
23 *rate may be adjusted for any such subsequent policy year*
24 *on the basis of the experience under the policy, as deter-*
25 *mined by the Secretary in advance of that policy year.*

1 “(h) *Any overpayment of a premium for insurance*
 2 *coverage for an insurable dependent of a member that is*
 3 *terminated under section 1968(a)(5) of this title shall be*
 4 *refunded to the member.*”.

5 (e) *PAYMENTS OF INSURANCE PROCEEDS.*—Section
 6 1970 is amended by adding at the end the following new
 7 subsection:

8 “(i) *Any amount of insurance in force on an insurable*
 9 *dependent of a member under this subchapter on the date*
 10 *of the dependent’s death shall be paid, upon the establish-*
 11 *ment of a valid claim therefor, to the member or, in the*
 12 *event of the member’s death before payment to the member*
 13 *can be made, then to the person or persons entitled to receive*
 14 *payment of the proceeds of insurance on the member’s life*
 15 *under this subchapter.*”.

16 (f) *CONVERSION OF SGLI TO PRIVATE LIFE INSUR-*
 17 *ANCE.*—Section 1968(b) is amended by adding at the end
 18 the following new paragraph:

19 “(3)(A) *In the case of a policy purchased under this*
 20 *subchapter for an insurable dependent who is a spouse,*
 21 *upon election of the spouse, the policy may be converted to*
 22 *an individual policy of insurance under the same condi-*
 23 *tions as described in section 1977(e) of this title (with re-*
 24 *spect to conversion of a Veterans’ Group Life Insurance pol-*
 25 *icy to such an individual policy) upon written application*

1 *for conversion made to the participating company selected*
 2 *by the spouse and payment of the required premiums. Con-*
 3 *version of such policy to Veterans' Group Life Insurance*
 4 *is prohibited.*

5 “(B) *In the case of a policy purchased under this sub-*
 6 *chapter for an insurable dependent who is a child, such pol-*
 7 *icy may not be converted under this subsection.”.*

8 (g) *EFFECTIVE DATE AND INITIAL IMPLEMENTA-*
 9 *TION.—(1) The amendments made by this section shall take*
 10 *effect on the first day of the first month that begins more*
 11 *than 120 days after the date of the enactment of this Act.*

12 (2) *Each Secretary concerned, acting in consultation*
 13 *with the Secretary of Veterans Affairs, shall take such ac-*
 14 *tion as is necessary to ensure that during the period between*
 15 *the date of the enactment of this Act and the effective date*
 16 *determined under paragraph (1) each eligible member—*

17 (A) *is furnished an explanation of the insurance*
 18 *benefits available for dependents under the amend-*
 19 *ments made by this section; and*

20 (B) *is afforded an opportunity before such effec-*
 21 *tive date to make elections that are authorized under*
 22 *those amendments to be made with respect to depend-*
 23 *ents.*

24 (3) *For purposes of paragraph (2):*

1 (A) The term “Secretary concerned” has the
 2 meaning given that term in section 101 of title 38,
 3 United States Code.

4 (B) The term “eligible member” means a member
 5 of the uniformed services described in subparagraph
 6 (A) or (C) of section 1967(a)(1) of title 38, United
 7 States Code, as amended by subsection (b)(1).

8 **SEC. 303. RETROACTIVE APPLICABILITY OF INCREASE IN**
 9 **MAXIMUM SGLI BENEFIT FOR MEMBERS**
 10 **DYING IN PERFORMANCE OF DUTY ON OR**
 11 **AFTER OCTOBER 1, 2000.**

12 (a) *APPLICABILITY OF INCREASE IN BENEFIT.*—Not-
 13 withstanding subsection (c) of section 312 of the Veterans
 14 Benefits and Health Care Improvement Act of 2000 (Public
 15 Law 106–419; 114 Stat. 1854), the amendments made by
 16 subsection (a) of that section shall take effect on October
 17 1, 2000, with respect to any member of the Armed Forces
 18 who died in the performance of duty (as determined by the
 19 Secretary concerned) during the period beginning on Octo-
 20 ber 1, 2000, and ending at the close of March 31, 2001,
 21 and who on the date of death was insured under the
 22 Servicemembers’ Group Life Insurance program under sub-
 23 chapter III of chapter 19 of title 38, United States Code,
 24 for the maximum coverage available under that program.

1 (b) *DEFINITION.*—For purposes of this section, the
 2 term “Secretary concerned” has the meaning given that
 3 term in section 101(25) of title 38, United States Code.

4 **SEC. 304. INCREASE IN AMOUNT OF ASSISTANCE FOR AUTO-**
 5 **MOBILE AND ADAPTIVE EQUIPMENT FOR**
 6 **CERTAIN DISABLED VETERANS.**

7 Section 3902(a) is amended by striking “\$8,000” and
 8 inserting “\$9,000”.

9 **SEC. 305. INCREASE IN ASSISTANCE AMOUNT FOR SPE-**
 10 **CIALY ADAPTED HOUSING.**

11 Section 2102 is amended—

12 (1) in the matter preceding paragraph (1) of
 13 subsection (a), by striking “\$43,000” and inserting
 14 “\$48,000”; and

15 (2) in subsection (b)(2), by striking “\$8,250”
 16 and inserting “\$9,250”.

17 **SEC. 306. REVISION OF RULES WITH RESPECT TO NET**
 18 **WORTH LIMITATION FOR ELIGIBILITY FOR**
 19 **PENSIONS FOR VETERANS WHO ARE PERMA-**
 20 **NENTLY AND TOTALLY DISABLED FROM A**
 21 **NON-SERVICE-CONNECTED DISABILITY.**

22 (a) *IN GENERAL.*—Section 1522(a) is amended by
 23 adding at the end the following new sentence: “In deter-
 24 mining the corpus of the estates of the veteran and the vet-
 25 eran’s spouse, if any, the value of the real property of the

1 *veteran and the veteran’s spouse and children shall be ex-*
 2 *cluded if such property is used for farming, ranching, or*
 3 *similar agricultural purposes.”.*

4 *(b) EFFECTIVE DATE.—The amendment made by sub-*
 5 *section (a) shall apply to payment of pensions for months*
 6 *beginning on or after the date of the enactment of this Act.*

7 **SEC. 307. TECHNICAL AMENDMENTS.**

8 *(a) TITLE 38, UNITED STATES CODE.—Title 38,*
 9 *United States Code, is amended as follows:*

10 *(1) Effective as of November 1, 2000, section 107*
 11 *is amended—*

12 *(A) in the second sentence of subsection (a),*
 13 *by inserting “or (d)” after “subsection (c)”;*

14 *(B) by redesignating the second subsection*
 15 *(c) (added by section 332(a)(2) of the Veterans*
 16 *Benefits and Health Care Improvement Act of*
 17 *2000 (Public Law 106–419)) as subsection (d);*
 18 *and*

19 *(C) in subsection (d), as so redesignated, by*
 20 *striking “In” in paragraph (1) and inserting*
 21 *“With respect to benefits under chapter 23 of this*
 22 *title, in”.*

23 *(2) Section 3512 is amended—*

1 (A) in subsection (a)(5), by striking “clause
2 (4) of this subsection” and inserting “paragraph
3 (4)”; and

4 (B) in subsection (b)(2), by striking
5 “willfull” and inserting “willful”.

6 (3) Section 4303(13) is amended by striking the
7 second period at the end.

8 (b) *PUBLIC LAW 106–419.—Effective as of November*
9 *1, 2000, and as if included therein as originally enacted,*
10 *the Veterans Benefits and Health Care Improvement Act*
11 *of 2000 (Public Law 106–419) is amended as follows:*

12 (1) Section 111(f)(3) (114 Stat. 1831) is amend-
13 ed by striking “3654” and inserting “3564”.

14 (2) Section 323(a)(1) (114 Stat. 1855) is amend-
15 ed by inserting a comma in the second quoted matter
16 therein after “duty”.

17 (3) Section 401(e)(1) (114 Stat. 1860) is amend-
18 ed by striking “this” both places it appears in quoted
19 matter and inserting “This”.

20 (4) Section 402(b) (114 Stat. 1861) is amended
21 by striking the close quotation marks and period at
22 the end of the table in paragraph (2) of the matter
23 inserted by the amendment made that section.

24 (c) *PUBLIC LAW 102–590.—Section 3(a)(1) of the*
25 *Homeless Veterans Comprehensive Service Programs Act of*

1 1992 (38 U.S.C. 7721 note) is amended by striking “, dur-
2 ing,”.

Union Calendar No. 18

107TH CONGRESS
1ST SESSION

H. R. 801

[Report No. 107–27]

A BILL

To amend title 38, United States Code, to improve programs of educational assistance, to expand programs of transition assistance and outreach to departing servicemembers, veterans, and dependents, to increase burial benefits, to provide for family coverage under Servicemembers' Group Life Insurance, and for other purposes.

MARCH 26, 2001

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed